

approved this Agreement, determined that the Exchange is fair to and in the best interests of Parent's stockholders and has adopted resolutions recommending approval of the Exchange by the stockholders of Parent. The Murdoch Interests have agreed with Parent and LMC to be present, in person or by proxy, at the Parent Stockholder Meeting and to vote all shares of Parent Class B Stock beneficially owned by them at the Parent Stockholder Meeting (or any adjournment thereof) in favor of the approval of the Exchange; provided that the foregoing shall be deemed not to have been violated if the shares held by the Murdoch Interests shall have been disregarded for purposes of the Parent Shareholder Approval under the ASX listing rules.

Section 4.5. Conflicts; Consents and Approvals. Except as set forth in Section 4.5 of the Parent Disclosure Letter, neither the execution, delivery and performance by Parent of this Agreement, nor the execution, delivery and performance by Parent, the Transferred Subsidiaries and the other Subsidiaries of Parent party thereto of the Ancillary Agreements and the other agreements, documents and instruments to be executed and delivered by each of them in connection with this Agreement and the Ancillary Agreements, will:

- 4.5.1 conflict with, or result in a breach of any provision of, the organizational documents of Parent, any Transferred Subsidiary any applicable Parent Subsidiary;
- 4.5.2 violate, or conflict with, or result in a breach of any provision of, or constitute a change of control or default (or an event that, with the giving of notice, the passage of time or otherwise, would constitute a default) under, or require any action, consent, waiver or approval of any third party or entitle any Person (with the giving of notice, the passage of time or otherwise) to terminate, accelerate, modify or call a default under, or give rise to any obligation to make a payment under, or to any increased, additional or guaranteed rights of any Person under, or result in the creation of any Encumbrance upon any of the properties or assets of any Transferred Subsidiary or under any of the terms, conditions or provisions of any material Contract to which Parent or any Transferred Subsidiary is a party or pursuant to which any of their respective properties or assets are bound, except for any such conflicts, violations, breaches, defaults or occurrences which would not prevent or materially delay the performance of this Agreement by Parent;
- 4.5.3 assuming the approvals required under Section 4.5.4 are obtained, violate any order, writ, or injunction, or any decree, or any material Law applicable to Parent or any Transferred Subsidiary, or any of their respective properties or assets; or
- 4.5.4 require any consent, approval, authorization or permit of, or filing with or notification to, any Governmental Authority, except for (i) (A) applicable requirements of the Exchange Act, the Securities Act, and state securities or "blue sky" Laws, (B) the pre-merger notification requirements of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations thereunder (the "HSR Act"), and (C) approval of the Transactions under the Communications Act and (ii) where the failure to obtain such consents, approvals, authorizations or permits, or to make such filings or notifications

would not prevent or materially delay the performance of this Agreement by Parent.

Section 4.6. Operations of the Transferred Business. Except as set forth in Section 4.6 of the Parent Disclosure Letter, since October 1, 2006 and through the date of this Agreement, the Transferred Business has been conducted in the ordinary course of business consistent with past practice and there has not been since such date the occurrence of any fact, event or circumstance described in Sections 6.2.8, 6.2.9, 6.2.12 – 6.2.17 (assuming that the period referred to therein is effective beginning October 1, 2006).

Section 4.7. Compliance with Law. The Transferred Business is currently being conducted, and since January 1, 2004, has been conducted, in compliance with all material Laws applicable to the Transferred Business or the Transferred Employees. Since January 1, 2004 and prior to the date of this Agreement, none of Parent, Splitco or any of the RSN Subsidiaries has received any material notice from any Governmental Authority that the Transferred Business has been or is being conducted in violation of any applicable material Law or that an investigation or inquiry into any noncompliance with any applicable material Law is ongoing, pending or, to the Knowledge of Parent, threatened. This Section 4.7 does not relate to matters with respect to Taxes, which are the subject of Section 4.20 or the Tax Matters Agreement, as the case may be, to Environmental Matters, which are the subject of Section 4.10, to Employee Benefits Plan matters, which are the subject of Section 4.12 or to Labor and Employment Matters, which are the subject of Section 4.14.

Section 4.8. Intellectual Property.

- 4.8.1 Section 4.8.1 of the Parent Disclosure Letter sets forth a list of all patents, patent applications, registered trademarks, material unregistered trademarks, registered copyrights and Internet domain name registrations that are, as of the date of this Agreement, owned by the RSN Subsidiaries (the "Owned Intellectual Property"). The RSN Subsidiaries own the Owned Intellectual Property, free and clear of all Encumbrances and have the exclusive right to use and sublicense, without payment to any other Person, all of the Owned Intellectual Property. As of the date hereof, no license relating to any of the Owned Intellectual Property has been granted, except as provided in the Ancillary Agreements, and except for Customer Agreements entered into in the ordinary course of business.
- 4.8.2 Section 4.8.2 of the Parent Disclosure Letter sets forth a list that includes all material Intellectual Property that is held for use under license by the RSN Subsidiaries as of the date hereof (the "Licensed Intellectual Property"). As of the date hereof, neither Parent nor the RSN Subsidiaries have given or received any notice of material default or of any event which with the lapse of time would constitute a material default under any material agreement relating to the Licensed Intellectual Property; neither Parent nor the Transferred Subsidiaries, nor, to Parent's Knowledge, any other Person, currently is in material default under any such agreement.

- 4.8.3 To Parent's Knowledge, as of the date hereof, no third party is infringing in any material respect a proprietary right in any Owned Intellectual Property. To Parent's Knowledge, the use of any Owned Intellectual Property or Licensed Intellectual Property in connection with the Transferred Business as currently conducted does not materially infringe upon, misappropriate, violate or conflict in any way with any material Intellectual Property rights of any Person.
- 4.8.4 There is no pending or, to Parent's Knowledge, threatened material claim (i) challenging the validity or enforceability of, or contesting the Parent's or the Transferred Subsidiaries' right to make, sell, offer to sell, and/or use any of the Owned Intellectual Property or Licensed Intellectual Property; (ii) challenging the validity or enforceability of any agreement relating to the Owned Intellectual Property or Licensed Intellectual Property; or (iii) asserting that the manufacture, sale, offer of sale, and/or use of any Owned Intellectual Property or Licensed Intellectual Property infringes upon, misappropriates, violates or conflicts in any way with the Intellectual Property rights of any Person.
- 4.8.5 The making, using, selling, offering to sell, or other implementation of any apparatus, systems, processes, methods, or other technologies (and/or combination thereof) used in or necessary for operation and conducting of the Transferred Business as currently conducted do not infringe upon, misappropriate, violate, or conflict in any way with the material Intellectual Property rights of any Person.

Section 4.9. Absence of Splitco Operations; Splitco Assets and Liabilities. Splitco has conducted no activities other than in connection with the execution and delivery of the Ancillary Agreements to which it is or will be a party. As of the Closing, the assets of Splitco will consist solely of (i) all issued and outstanding equity interests of each RSN Subsidiary, (ii) the DTV Shares and (iii) the Cash Amount (collectively, the "Splitco Assets"). As of the Closing, the Transferred Subsidiaries will have no Liabilities other than Liabilities arising as a result of its ownership of the Splitco Assets and any Liabilities set forth in Section 4.9(a) of the Parent Disclosure Letter. Except as set forth in Section 4.9(b) of the Parent Disclosure Letter, the assets of the RSN Subsidiaries, along with the rights of Splitco and the RSN Subsidiaries under the Ancillary Agreements, are sufficient to permit the RSN Subsidiaries to conduct immediately following the Closing the Transferred Business in all material respects in the manner as the Transferred Business was being conducted as of the date hereof.

Section 4.10. Environmental Matters.

- 4.10.1 The Transferred Business is currently being conducted in compliance in all material respects with, and, since January 1, 2004 has been conducted in compliance in all material respects with, all applicable Environmental Laws.
- 4.10.2 Except as would not reasonably be expected to form the basis of any material Environmental Claim against the Transferred Business, since January 1, 2004, the Transferred Business has not disposed of, Released, transported, stored, or arranged for the disposal of any Hazardous Materials to, at or upon: (i) any

location other than a site lawfully permitted to receive such Hazardous Materials;
(ii) any premises currently or formerly owned or leased by any of the RSN
Subsidiaries, except for the use of household cleaners and office products in the
ordinary course of business in compliance with applicable Environmental Laws;
or (iii) any site which has been placed on the National Priorities List, CERCLIS
or their state equivalents;

- 4.10.3 Since January 1, 2004, the operations of the Transferred Business have not resulted in any Release of Hazardous Materials at or from any Leased Real Property that requires Cleanup that has not been completed to the satisfaction of the relevant Governmental Authority or would reasonably be expected to form the basis of any material Environmental Claim against the Transferred Business;
- 4.10.4 The Transferred Business is not subject to, and, since January 1, 2004, none of the RSN Subsidiaries has received written notice of, any existing, pending, or, to the Knowledge of Parent, threatened material Action, by any Person under any Environmental Laws or involving the presence, Release or threatened Release of any Hazardous Material at any location currently or formerly owned or operated as part of the Transferred Business.

Section 4.11. Litigation.

- 4.11.1 Other than Actions of the type contemplated by Section 4.11.2 and judgments, decrees, written agreements, memoranda of understanding or orders of Governmental Authorities of the type contemplated by Section 4.11.3, (i) as of the date hereof, there are no Actions pending or, to the Knowledge of Parent, threatened against any of the Transferred Subsidiaries, by or before any Governmental Authority, (ii) there are no material Actions pending, or to the Knowledge of Parent, threatened against any of the Transferred Subsidiaries, by or before any Governmental Authority, (iii) as of the date hereof, there is no judgment, decree, injunction, ruling or order of any Governmental Authority outstanding against any Transferred Subsidiary and (iv) there is no material judgment, decree, injunction, ruling or order of any Governmental Authority outstanding against any Transferred Subsidiary.
- 4.11.2 As of the execution of this Agreement, there is no Action pending or, to Parent's Knowledge, threatened against Parent or any of its Affiliates that seeks, or would reasonably be expected, to prohibit or restrain the ability of Parent or any of its Affiliates to enter into this Agreement or any of the Ancillary Agreements to which it is a party or to timely consummate the Transactions.
- 4.11.3 As of the execution of this Agreement, there are no material judgments, decrees, written agreements, memoranda of understanding or orders of any Governmental Authority outstanding against Parent or any of its Affiliates which would reasonably be expected to prevent, prohibit, materially delay or enjoin the consummation of the Transactions.

Section 4.12. Employee Benefit Plans.

- 4.12.1 Section 4.12.1 of the Parent Disclosure Letter sets forth, as of the date of this Agreement, a list of all material "employee pension benefit plans" (as defined in Section 3(2) of ERISA), "employee welfare benefit plans" (as defined in Section 3(1) of ERISA), and deferred compensation, bonus, retention bonus, incentive, severance, stock bonus, stock option, restricted stock, stock appreciation right, stock purchase, holiday pay, and vacation pay plans, and any other employee benefit plan, program, policy or arrangement covering Transferred Employees as of the date hereof, that are currently either maintained by or contributed to by Parent or any of its Subsidiaries or to which Parent or any of its Subsidiaries is obligated to make payments or otherwise have any liability (collectively, the "Employee Benefit Plans"), and each employment, severance, retention, consulting or similar agreement currently in effect that has been entered into by Parent, any Transferred Subsidiary or any of their respective Affiliates, on the one hand, and any Transferred Employee, on the other hand (collectively, the "Employment Agreements"). Each Employee Benefit Plan which provides, as of the date of hereof, benefits solely with respect to the Transferred Employees and no other active employees of Parent or any other Subsidiary is separately identified on Section 4.12.1 of the Parent Disclosure Letter (collectively, the "Subsidiary Employee Benefit Plans"). Summaries of all Employee Benefit Plans (except for plans contributed to pursuant to a Collective Bargaining Agreement set forth on Section 4.12.1 of the Parent Disclosure Letter), copies of all such written Subsidiary Employee Benefit Plans and Employment Agreements and written summaries of all unwritten Subsidiary Employee Benefit Plans have been made available to LMC.
- 4.12.2 No Controlled Group Liability has been incurred by any Transferred Subsidiary or any trade or business that together with any Transferred Subsidiary would be deemed a "single employer," within the meaning of section 4001(b) of ERISA (an "ERISA Affiliate"), no condition exists that presents a material risk to any Transferred Subsidiary or any ERISA Affiliate of incurring any Controlled Group Liability, and no Controlled Group Liability would reasonably be expected to be incurred by the Transferred Subsidiaries following the Closing by reason of such Transferred Subsidiaries having been an ERISA Affiliate of Parent (or of any other ERISA Affiliate of Parent) prior to the Closing. For purposes of this Agreement, "Controlled Group Liability" means any and all liabilities (i) under Title IV of ERISA, other than for payment of premiums to the Pension Benefit Guaranty Corporation (which premiums have been paid when due), (ii) under Section 302 or 4068(a) of ERISA, (iii) under Sections 412(n) or 4971 of the Code and (iv) for violation of the continuation coverage requirements of Section 601 et seq. of ERISA and Section 4980B of the Code or the group health requirements of Sections 9801 et seq. of the Code and Sections 701 et seq. of ERISA. The consummation of the Transactions will not result in the occurrence of any reportable event within the meaning of Section 4043(c) of ERISA with respect to any pension plan maintained by Parent or an ERISA Affiliate. None of the

Subsidiary Employee Benefit Plans is subject to Title IV of ERISA or Section 412 of the Code.

- 4.12.3 No Transferred Subsidiary has any liability, fixed or contingent, with respect to a Multiemployer Plan.
- 4.12.4 Each Employee Benefit Plan has been operated and administered in all material respects in accordance with its terms and applicable law, including but not limited to ERISA and the Code. As of the date hereof, there are no actions, suits or claims pending (other than routine claims for benefits) or, to the Knowledge of Parent, threatened against, or with respect to, any of the Employee Benefit Plans or their assets. There are no material actions, suits or claims pending (other than routine claims for benefits) or, to the Knowledge of Parent, threatened against, or with respect to, any of the Employee Benefit Plans or their assets. There have been no "prohibited transactions" (as described in Section 406 of ERISA or Section 4975 of the Code) with respect to any of the Employee Benefit Plans. Other than routine filings, there is no matter pending or audit in progress with respect to any of the Employee Benefit Plans before or by any Governmental Authority.
- 4.12.5 Each Employee Benefit Plan intended to be qualified, within the meaning of Section 401(a) of the Code, has received a favorable determination letter regarding the Employee Benefit Plan's qualification from the IRS with respect to all amendments required by applicable law (or such plan has been submitted to the IRS for a determination as to its qualification within the applicable remedial amendment period).
- 4.12.6 The execution and delivery of this Agreement and the consummation of the Transactions will not (except as otherwise provided in this Agreement) (A) require any Transferred Subsidiary to make a larger contribution to, or pay greater benefits or provide other rights under, any Employee Benefit Plan, any Employment Agreement or any other employee benefit plan or arrangement than it otherwise would, whether or not some other subsequent action or event would be required to cause such payment or provision to be triggered or (B) create, give rise to or accelerate any additional benefits, vested rights or service credits under any Employee Benefit Plan, Employment Agreement or any other employee benefit plan or arrangement. In connection with the consummation of the Transactions, no payment of money or other property, acceleration of benefits or provision of other rights has been made under this Agreement, any Employee Benefit Plan or otherwise that would be nondeductible for income Tax purposes by Splitco or the Transferred Subsidiaries by virtue Section 280G of the Code.
- 4.12.7 No Subsidiary Employee Benefit Plan provides post employment medical, disability, life insurance benefits or other welfare benefits, except as required by Section 4980B of the Code or Part 6 of Title I of ERISA and at no expense to any Transferred Subsidiary.

4.12.8 Except as disclosed on Section 4.12.8 of the Parent Disclosure Schedule, no Subsidiary Employee Benefit Plan, Employment Agreement or payment or benefit provided pursuant to any Subsidiary Employee Benefit Plan, Employment Agreement or other contract, agreement or benefit arrangement covering any "service provider" (within the meaning of Section 409A of the Code), including the grant, vesting or exercise of any option or appreciation right, will or may provide for the deferral of compensation subject to Section 409A of the Code, whether pursuant to the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby (either alone or upon the occurrence of any additional or subsequent events) or otherwise. Each Subsidiary Employee Benefit Plan that is a nonqualified deferred compensation plan subject to Section 409A of the Code has been operated and administered in good faith compliance with Section 409A of the Code from the period beginning January 1, 2005 through the date hereof.

Section 4.13. Contracts. Section 4.13 of the Parent Disclosure Letter contains a complete list, as of the date hereof, of all Contracts (together with each material amendment, modification, change or waiver thereto) by and between any Transferred Subsidiary and one or more third parties (other than this Agreement or the Ancillary Agreements), pursuant to which any Transferred Subsidiary is obligated or liable or is entitled to any rights or benefits or pursuant to which any Transferred Subsidiary or any of its properties or assets is subject, in each case, which fall within any of the following categories (such Contracts as are required to be set forth in Section 4.13 of the Parent Disclosure Letter, the "Material Contracts"):

(a) each advertising and sponsorship Contract pursuant to which payment of more than \$100,000 annually is required to be paid to any Transferred Subsidiary;

(b) each Contract providing for the sale, lease or other disposition of a material portion of the assets of any Transferred Subsidiary other than in the ordinary course of business;

(c) each material Contract relating to the production or licensing of any programming for any Network;

(d) each affiliation, distribution, carriage or similar agreement between any Transferred Subsidiary (or under which any Transferred Subsidiary is bound or is liable or pursuant to which any Transferred Subsidiary or any of its properties or assets is subject) and any of its affiliates, distributors, carriers, over-the-air broadcast operators and multichannel video programming distributors, in which such affiliate, distributor, carrier or operator accounts for at least 50,000 subscribers to a Network operated by such Transferred Subsidiary as of July 31, 2006;

(e) each material definitive rights agreement relating to the telecast of professional, collegiate conference, university or high school sports teams or any sports related tournaments or events on any Network;

(f) each Contract pursuant to which any Transferred Subsidiary is obligated (or assuming performance of any Contract in effect at the date hereof, would be obligated) to any Person for payments in respect of capital expenditures in excess of \$1,000,000;

(g) each currently effective joint venture or partnership or similar agreement and each Contract providing for the formation of a joint venture, limited liability company, long-term alliance or partnership or involving an equity investment;

(h) each currently effective Contract (including any Employment Agreements) which (A) materially restricts the ability of any Transferred Subsidiary or any of its Affiliates or the Transferred Business to engage in any business activity in any geographic area or line of business following the Closing or (B) materially restricts the ability of any Transferred Subsidiary or any of its Affiliates or the Transferred Business to compete with any Person following the Closing;

(i) each Contract (or group of related Contracts) under which there has been created, incurred, assumed, or guaranteed any Indebtedness, or that relates to the lending or advancing of amounts or investment in any other Person, in each case, in excess of \$100,000, or providing for the creation of any Encumbrance securing an obligation likely to exceed \$100,000 upon any asset of any Transferred Subsidiary;

(j) each lease, sublease or similar agreement relating to tangible personal property used or held for use in the Transferred Business, for an annual rent in excess of \$100,000, or agreement regarding the purchase of real property;

(k) each currently effective material Real Property Lease;

(l) any currently effective Contract concerning the marketing or distribution by third parties of any products or services of the Transferred Business (including any Contract requiring the payment of any sales or marketing or distribution commissions or granting to any Person rights to market, distribute or sell such products or services) involving sales of products of more than \$100,000 annually;

(m) any other currently effective Contract which was entered into other than in the ordinary course of business involving payments to or from third parties in excess of \$500,000 over the remaining term of such Contract; and

(n) each satellite and transponder agreement to which any Transferred Subsidiary is a party or pursuant to which any Transferred Subsidiary or under which any Transferred Subsidiary is bound or is liable or pursuant to which any Transferred Subsidiary or any of its properties or assets is subject.

Parent has made available to LMC or its Representatives (as defined below) correct and complete copies of all such Material Contracts (other than such Material Contracts referenced in Section 4.13(n) pursuant to which the Transferred Subsidiaries shall have no liabilities or obligations of any kind after Closing other than pursuant to the Technical Services Agreement) with all amendments thereto. Each such Material Contract is valid, binding and enforceable against a Transferred Subsidiary and the other parties thereto in accordance with its terms and is

in full force and effect, subject to expiration in accordance with its terms. Except as set forth in Section 4.13 of the Parent Disclosure Letter, none of the Transferred Subsidiaries is in material default under or in material breach of any such Material Contract, and no event has occurred that, with notice or lapse of time, or both, would constitute such a material default. Except as set forth in Section 4.13 of the Parent Disclosure Letter, each of the other parties to the Material Contracts has performed in all material respects all of the obligations required to be performed by it under, and is not in material default under, any such Material Contract, and to the Knowledge of Parent, no event has occurred that, with notice or lapse of time, or both, would constitute such a material default.

Section 4.14. Labor Matters.

4.14.1 Except as set forth in the Parent Disclosure Letter, as of the date hereof, there are no collective bargaining agreements, union contracts or similar agreements or arrangements in effect that cover any Transferred Employee (each, a "Collective Bargaining Agreement"). With respect to the Transferred Business, (a) there is no material labor strike, dispute, slowdown, lockout or stoppage pending or, to the Knowledge of Parent, threatened, and no Transferred Subsidiary has experienced any labor strike, dispute, slowdown, lockout or stoppage relating to the Transferred Business or any Transferred Employee since January 1, 2004; (b) there is no material unfair labor practice charge or complaint pending or, to Parent's Knowledge, threatened before the National Labor Relations Board or before any similar state or foreign agency; (c) there is no material grievance or arbitration arising out of any Collective Bargaining Agreement or other grievance procedure; (d) no material charges are pending before the Equal Employment Opportunity Commission or any other agency responsible for the prevention of unlawful employment practices; and (e) Parent, Splitco and the Transferred Subsidiaries have complied in all material respects with all laws relating to the employment of labor, including provisions thereof relating to wages, hours, equal opportunity, collective bargaining, affirmative action, occupational safety and health, immigration and the withholding and payment of social security and other taxes, and no claim to the contrary has been made by any employee or Governmental Authority.

4.14.2 Neither Parent nor any of its Affiliates has effected any of the following with respect to any Transferred Employee: (a) a "plant closing" (as defined in the WARN Act) affecting any site of employment or one or more facilities or operating units within any site of employment or facility; or (b) a "mass layoff" (as defined in the WARN Act) affecting any site of employment or facility. None of the Transactions or any of the actions taken by Parent or its Affiliates in preparation for the Closing have or will result in plant closing or mass layoff under the WARN Act.

Section 4.15. RSN Subsidiaries Financial Statements.

4.15.1 Attached as Section 4.15.1 of the Parent Disclosure Letter are the unaudited consolidated interim balance sheet (with respect to each RSN Subsidiary, the

"Interim Balance Sheet") of each RSN Subsidiary as of October 1, 2006 (the "Interim Balance Sheet Date"), and the unaudited consolidated statements of operations and partners' deficit and cash flows for each RSN Subsidiary for the fiscal year ended July 2, 2006 (such unaudited consolidated financial statements, collectively, the "Financial Statements"). Except as provided in Section 4.15.1 of the Parent Disclosure Letter, the Financial Statements (i) conform to the books and records of the RSN Subsidiaries in all material respects, (ii) present fairly in all material respects the financial position of the RSN Subsidiaries as of the dates indicated and the results of operations and partners' deficit and cash flows for the respective periods indicated, and (iii) were prepared in accordance with GAAP, consistently applied; *provided* that each Interim Balance Sheet is subject to normal, recurring year-end audit adjustments (none of which are material, individually or in the aggregate, to Parent's Knowledge).

4.15.2 From the Interim Balance Sheet Date to the date hereof, except as set forth on Section 4.15.2 of the Parent Disclosure Letter, (i) the business of the RSN Subsidiaries has been conducted in the ordinary course of business consistent with past practices, (ii) there has not been any event, circumstance, change or effect that has had or could reasonably be expected to have, individually or in the aggregate, Material Adverse Effect on the Transferred Business, (iii) no RSN Subsidiary has redeemed any ownership interests in any RSN Subsidiary, (iv) no RSN Subsidiary has waived, released, compromised or settled any right or claim of substantial value to such RSN Subsidiary or any other Person and (v) no RSN Subsidiary has engaged in any transaction or taken any other action except in the ordinary course of business consistent with past practices. No RSN Subsidiary has engaged in any activity other than the operation of the Networks.

4.15.3 There are no Liabilities of the RSN Subsidiaries, and there is no existing condition, situation or set of circumstances that could reasonably be expected to result in such a Liability, other than: (i) Liabilities disclosed or provided for in the Interim Balance Sheet or in the notes to the Financial Statements; (ii) the Liabilities set forth on Section 4.15.3 of the Parent Disclosure Letter; and (iii) Liabilities incurred in the ordinary course of business consistent with past practice since the Interim Balance Sheet Date that have not had and could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Transferred Business.

4.15.4 Except as set forth in Section 4.15.4 of the Parent Disclosure Letter, each RSN Subsidiary is, and since the Interim Balance Sheet Date has been, in compliance with and, as of the date hereof, to the Knowledge of Parent is not under investigation with respect to and has not been threatened to be charged with or given any notice of any violation of, any applicable Law.

Section 4.16. Permits. The RSN Subsidiaries are in possession of, all franchises, grants, authorizations, licenses, permits, easements, variances, exemptions, consents, certificates, approvals and orders necessary to own, lease and operate the Transferred Business as it is being operated as of the date hereof, other than such franchises, grants, authorizations, licenses,

permits, easements, variances, exemptions, consents, certificates, approvals and orders which the failure to hold would not adversely affect the ability of the RSN Subsidiaries to conduct the Transferred Business in all material respects as it is currently conducted by the RSN Subsidiaries (collectively, the "Permits"). As of the date hereof, there are no Business FCC Licenses. Except as set forth in Section 4.16 of the Parent Disclosure Letter (a) (i) as of the date hereof, there is no Action pending, or, to the Knowledge of Parent, threatened, regarding any of the Permits and (ii) there is no material Action pending, or to the Knowledge of Parent, threatened regarding any of the Permits and (b) each such Permit is in full force and effect. The RSN Subsidiaries do not possess any Business FCC Licenses.

Section 4.17. Real Estate None of the Transferred Subsidiaries owns or has owned any real property.

4.17.2 As of the date hereof, the RSN Subsidiaries have good and valid leasehold interests in all Leased Real Property except for any such Leased Real Property which is no longer used or useful in the conduct of the Transferred Business.

4.17.3 Each of the RSN Subsidiaries has complied in all material respects with the terms of all Real Property Leases to which it is a party and under which it is in occupancy, and all such Real Property Leases and deeds are in full force and effect. Section 4.17.3 of the Parent Disclosure Letter sets forth a complete list, as of the date hereof, of all leases pursuant to which parcels of the Leased Real Property are held. The RSN Subsidiaries enjoy peaceful and undisturbed possession under all such leases and there are no existing material defaults beyond any applicable grace periods under such leases.

Section 4.18. Guarantees. Except to the extent contemplated by this Agreement or as set forth in Section 4.18 of the Parent Disclosure Letter, none of the Transferred Subsidiaries is directly or indirectly (a) liable, by guarantee or otherwise, upon or with respect to or (b) obligated to provide funds with respect to, or to guarantee or assume, any Indebtedness or other Liability of any other Person.

Section 4.19. Title to DTV Shares. As of the date hereof, FEG is the sole record owner and has good and valid title to the DTV Shares, free and clear of any and all Securities Encumbrances. As of the Closing, Splitco will be the sole record beneficial owner of, and will have good and valid title to the DTV Shares, free and clear of any and all Securities Encumbrances. The DTV Shares are duly authorized, validly issued, fully paid and nonassessable, and have not been issued in violation of any preemptive or similar rights. The DTV Shares constitute all shares of common stock of DTV beneficially owned by Parent.

Section 4.20. Certain Tax Matters.

4.20.1 Filing and Payment. (i) All material Tax Returns required to be filed with any Taxing Authority by or on behalf of the Transferred Subsidiaries or otherwise with respect to the Transferred Business have been filed when due (taking into account any extension of time within which to file) in accordance with all applicable Laws; (ii) all such Tax Returns are accurate and complete in all

material respects and have been prepared in substantial compliance with all applicable Laws; (iii) all material Taxes due and payable by the Transferred Subsidiaries or with respect to the Transferred Business have been timely paid, or withheld and remitted to the appropriate Taxing Authority; (iv) no written claim has been made by any Taxing Authority in a jurisdiction where any of the Transferred Subsidiaries does not file a Tax Return that it is, or may be, subject to Tax by that jurisdiction; and (v) there are no Encumbrances on any of the assets of any of the Transferred Subsidiaries that arose in connection with any failure (or alleged failure) to pay any Tax (except for Encumbrances that arise by operation of Law for Taxes not yet due and payable).

4.20.2 Withholding. Each of the Transferred Subsidiaries has complied with all applicable Laws relating to the payment and withholding of any material amount of Taxes and have, within the time and the manner prescribed by applicable Law, withheld from and paid over to the proper Taxing Authorities all material amounts required to be so withheld and paid over under all applicable Laws.

4.20.3 Proceedings and Compliance. (i) No outstanding written claim has been received, and no audit, action, suit or proceeding is in progress, against or with respect to any of the Transferred Subsidiaries in respect of any material Tax; and (ii) all material deficiencies, assessments or proposed adjustments asserted against any of the Transferred Subsidiaries by any Taxing Authority have been paid or fully and finally settled.

4.20.4 Availability of Tax Returns. Parent has furnished or made available to LMC complete and accurate copies of all portions of United States federal income Tax Returns and material state income Tax Returns relating to the Transferred Subsidiaries, and including, in each case, any amendments thereto, filed by or on behalf of any such Transferred Subsidiaries for all taxable periods beginning after December 31, 2000.

4.20.5 Consolidation and Similar Arrangements; Tax Sharing Agreements. None of the Transferred Subsidiaries (i) is or has been a member of an affiliated group (within the meaning of Section 1504 of the Code) filing a consolidated federal income Tax Return, other than an affiliated group the common parent of which is or was Parent (a "Parent Group"), (ii) is or has been a member of any affiliated, combined, consolidated, unitary or similar group for state, local or foreign Tax purposes other than a group the common parent of which is Parent, (iii) is a party to, or has any liability for any Tax under, any Tax Sharing Agreement or (iv) has any liability for the Taxes of any Person under Treasury Regulations Section 1.1502-6 (or any similar provision of state, local, or foreign Law) or as a transferee or successor, except for such liability arising from membership in a Parent Group.

4.20.6 Timing. None of the Transferred Subsidiaries will be required to include any item of income in, or exclude any item of deduction from, taxable income for any taxable period (or portion thereof) ending after the Closing Date as a result of any

(i) change in method of accounting for a taxable period (or portion thereof) ending on or prior to the Closing Date (other than any change in method of accounting made by LMC or any of its Affiliates, except for any change in method of accounting made on any Tax Return of or including the Transferred Subsidiaries which Parent is responsible for preparing pursuant to Section 2.1(a) of the Tax Matters Agreement), (ii) "closing agreement" as described in Section 7121 of the Code (or any corresponding or similar provision of state, local or foreign income Tax Law) executed prior to the Closing, or (iii) installment sale or open transaction occurring prior to the Closing.

4.20.7 Statute of Limitations. No waiver or extension of any statute of limitations in respect of material Taxes or any extension of time with respect to a material Tax assessment or deficiency is in effect for any of the Transferred Subsidiaries.

4.20.8 Section 355. Except with respect to the Transactions, none of the Transferred Subsidiaries has constituted either a "distributing corporation" or a "controlled corporation" (or is otherwise a successor to a "distributing corporation" or a "controlled corporation") in a distribution of stock qualifying or intended to qualify under Section 355 of the Code.

4.20.9 Reportable Transactions. None of the Transferred Subsidiaries has participated in a "listed transaction" within the meaning of Treasury Regulations Section 1.6011-4(b)(2).

4.20.10 Certain Agreements and Rulings. None of the Transferred Subsidiaries is a party to or bound by any advance pricing agreement, closing agreement or other agreement or ruling relating to Taxes with any Taxing Authority that will remain in effect with respect to such Transferred Subsidiary after the Closing.

4.20.11 DTV Shares. To the Knowledge of Parent, for United States federal income Tax purposes the aggregate basis of the DTV Shares is \$6.8 billion. Parent has not taken any position for Tax purposes or in computing any deferred income tax provision or reserve for financial reporting purposes that is inconsistent with the representation set forth in the preceding sentence.

Section 4.21. Affiliate Transactions. Section 4.21 of the Parent Disclosure Letter sets forth, as of the date hereof, all Contracts and all material allocations, obligations, transactions or other arrangements (oral or written) between DTV, on the one hand, and Parent or any of its Subsidiaries, on the other hand, that, in each case, shall be in effect following the Closing (each, an "Affiliate Transaction").

Section 4.22. Brokers or Finders. Except as set forth in Section 4.22 of the Parent Disclosure Letter, no agent, broker, investment banker, financial advisor or other Person (any such Person, a "Broker") is or will be entitled to any financial advisory, broker's, finder's or similar fee or commission in connection with the Transactions (collectively, "Broker Fees") based upon arrangements made by or on behalf of Parent, DTV, a Transferred Subsidiary or any of their respective Affiliates.

Section 4.23. Investigation; Reliance.

- 4.23.1 Notwithstanding anything to the contrary set forth herein, the express representations and warranties set forth in this Agreement, the Parent Tax Opinion Representations and the Tax Matters Agreement are the only representations and warranties concerning Parent and the DTV Shares made to LMC by Parent. Such representations and warranties are made expressly in lieu of all other warranties and representations, express or implied.
- 4.23.2 Parent hereby acknowledges and agrees that LMC makes no representations or warranties to Parent, express or implied, other than those representations and warranties set forth in this Agreement, the LMC Tax Opinion Representations, the Tax Matters Agreement and the Ancillary Agreements. Parent hereby expressly acknowledges and agrees that it is not relying on, is not entitled to rely on and, except in the case of fraud or willful breach, neither LMC nor any Person will have or be subject to any liability to Parent or any other Person resulting from, any statements or communications by LMC or any of its Affiliates or Representatives with respect to any matter in connection with its investigation or evaluation of the Transactions, except for the representations and warranties expressly set forth in this Agreement, the Tax Matters Agreement, the LMC Tax Opinion Representations and the Ancillary Agreements.

ARTICLE V.

REPRESENTATIONS AND WARRANTIES OF LMC

Except as set forth in the LMC Disclosure Letter delivered by LMC to Parent prior to the execution of this Agreement, LMC hereby represents and warrants to Parent as follows:

Section 5.1. Organization and Standing. LMC and each Stockholder is (a) a corporation, limited liability company or other legal entity duly organized, validly existing and duly qualified or licensed and in good standing under the Laws of the state or jurisdiction of its organization with full corporate or other power and authority to own, lease, use and operate its properties and to conduct its business, and (b) duly qualified or licensed to do business and in good standing in any other jurisdiction in which the nature of the business conducted by it or the property it owns, leases or operates requires it to so qualify, be licensed or be in good standing, except where the failures to be so qualified, licensed or in good standing have not had a Material Adverse Effect on LMC or any of the Stockholders, as the case may be.

Section 5.2. Corporate Power and Authority. LMC and each Stockholder has all requisite corporate or other power and authority to execute and deliver this Agreement and to consummate the Transactions. LMC and each Stockholder has all requisite corporate or other power and authority to execute and deliver the Ancillary Agreements and the other agreements, documents and instruments to be executed and delivered by it in connection with this Agreement, including the LMC Tax Opinion Representations, the Closing Certificates required by Sections 7.3.1 and 7.3.2, or the Ancillary Agreements and to consummate the Transactions.

The execution, delivery and performance of this Agreement by LMC and each Stockholder and the consummation by LMC and each Stockholder of the Transactions, including the exchange and delivery by the Stockholders to Parent of the LMC Parent Shares, and the execution, delivery and performance of the Ancillary Agreements and the other agreements, documents, certificates and instruments to be executed and delivered in connection with this Agreement or the Ancillary Agreements by LMC and each Stockholder and the consummation of the Transactions, have been duly authorized by all necessary action on the part of LMC and each Stockholder. Each of this Agreement and the Tax Matters Agreement has been duly executed and delivered by LMC and constitutes the legal, valid and binding obligation of LMC, enforceable against LMC in accordance with its terms, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar Laws now or hereafter in effect relating to or affecting creditors' rights generally, including the effect of statutory and other Laws regarding fraudulent conveyances and preferential transfers and subject to the limitations imposed by general equitable principles (regardless of whether such enforceability is considered in a proceeding at Law or in equity). When signed, the Ancillary Agreements (other than the Tax Matters Agreement which is the subject of the preceding sentence) and the other agreements, documents, certificates (including the LMC Tax Opinion Representations) and instruments to be executed and delivered by LMC and each Stockholder in connection with this Agreement or the Transactions shall have been duly executed and delivered by LMC and each Stockholder and shall constitute the legal, valid and binding obligations of LMC and each Stockholder, enforceable against LMC and each Stockholder in accordance with their respective terms, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar Laws now or hereafter in effect relating to or affecting creditors' rights generally, including the effect of statutory and other Laws regarding fraudulent conveyances and preferential transfers and subject to the limitations imposed by general equitable principles (regardless of whether such enforceability is considered in a proceeding at Law or in equity).

Section 5.3. No Vote Required. No vote or other action of the shareholders of LMC or any Stockholder is required by Law, the organizational documents of LMC or any Stockholder otherwise in order for LMC and/or the Stockholders to consummate the Exchange and the transactions contemplated hereby. The Board of Directors of LMC, by vote at a meeting duly called and held, has approved the Exchange.

Section 5.4. Conflicts; Consents and Approvals. Except as set forth in Section 5.4 of the LMC Disclosure Letter, neither the execution and delivery by LMC and each Stockholder of this Agreement, the Ancillary Agreements and the other agreements, documents and instruments to be executed and delivered by LMC and each Stockholder in connection with this Agreement and the Ancillary Agreements, nor the consummation of the Transactions, will:

- 5.4.1 conflict with, or result in a breach of any provision of, the organizational documents of LMC or any Stockholder;
- 5.4.2 violate, or conflict with, or result in a breach of any provision of, or constitute a default (or an event that, with the giving of notice, the passage of time or otherwise, would constitute a default) under, or entitle any Person (with the giving of notice, the passage of time or otherwise) to terminate, accelerate, modify or call

a default under, or give rise to any obligation to make a payment under, or to any increased, additional or guaranteed rights of any Person under, or result in the creation of any Encumbrance upon any of the LMC Parent Shares or any of the other properties or assets of LMC or any Stockholder under any of the terms, conditions or provisions of any Contract to which LMC or any Stockholder is a party or pursuant to which any of its properties or assets are bound, except for any such conflicts, violations, breaches, defaults or occurrences which would not prevent or materially delay the performance of this Agreement by LMC or a Stockholder;

- 5.4.3 assuming the approvals required under Section 5.4.4 are obtained, violate any order, writ, or injunction, or any material decree, or material Law applicable to LMC or any Stockholder or any of their properties or assets except as would not have a Material Adverse Effect on LMC's or the Stockholders' ability to consummate the Exchange and the transactions contemplated hereby; or
- 5.4.4 require any consent, approval, authorization or permit of, or filing with or notification to, any Governmental Authority, except for (i) (A) applicable requirements of the Exchange Act, the Securities Act, and state securities or "blue sky" Laws, (B) the pre-merger notification requirements of the HSR Act, and (C) approval of the transactions contemplated by this Agreement under the Communications Act or (ii) where the failure to obtain such consents, approvals, authorizations or permits, or to make such filings or notifications would not prevent or materially delay the performance of this Agreement by LMC.

Section 5.5. LMC Parent Shares. The LMC Parent Shares constitute all shares of Parent Class A Common Stock and all shares of Parent Class B Common Stock beneficially owned by the Stockholders and/or LMC. Except as set forth on Section 5.5 of the LMC Disclosure Letter, each Stockholder has good and valid title to the LMC Parent Shares owned by it, free and clear of any and all Securities Encumbrances. Upon delivery to Parent of the certificates representing the LMC Parent Shares at the Closing, or evidence of a book-entry transfer of the LMC Parent Shares to an account of Parent, Parent will acquire good and valid title to such shares, free and clear of any and all Securities Encumbrances.

Section 5.6. Litigation. As of the execution of this Agreement, there is no Action pending or, to LMC's Knowledge, threatened against LMC that seeks, or would reasonably be expected, to prohibit or restrain the ability of LMC to enter into this Agreement or any Ancillary Agreement to which it is a party or to timely consummate any of the Transactions.

Section 5.7. Governmental Actions. As of the execution of this Agreement, there are no material judgments, decrees, written agreements, memoranda of understanding or orders of any Governmental Authority outstanding against LMC which would reasonably be expected to prevent, prohibit, materially delay or enjoin the consummation of the Transactions.

Section 5.8. FCC Matters. LMC is legally and financially qualified under the Communications Act to hold the Business FCC Licenses and the DTV Shares. To LMC's Knowledge, there are no facts or circumstances pertaining to LMC or any of its Subsidiaries

which, under the Communications Act, would reasonably be expected to result in the FCC's refusal to grant the FCC Consent or which would require waiver of, or exemption from, any provision of the Communications Act necessary to obtain the FCC Consent.

Section 5.9. Investment Purpose and Experience. The Stockholders are receiving the Splitco Shares, and indirectly the DTV Shares, for their own account and not with a view towards, or for resale in connection with, the public sale or distribution thereof, except pursuant to sales registered or exempted under the Securities Act. Each Stockholder is an "accredited investor," as that term is defined in Regulation D promulgated under the Securities Act. LMC acknowledges that each Stockholder can bear the economic risk and complete loss of its investment in the Splitco Shares, and has such knowledge and experience in financial or business matters that it is capable of evaluating the merits and risks of the investment contemplated hereby.

Section 5.10. Investigation; Reliance.

5.10.1 Notwithstanding anything to the contrary set forth herein, the express representations and warranties set forth in this Agreement, the LMC Tax Opinion Representations and the Tax Matters Agreement are the only representations and warranties concerning LMC and the LMC Parent Shares made to Parent by LMC. Such representations and warranties are made expressly in lieu of all other warranties and representations, express or implied.

5.10.2 LMC hereby acknowledges and agrees that Parent makes no representations or warranties to LMC, express or implied, other than those representations and warranties set forth in this Agreement, the Parent Tax Opinion Representations, the Tax Matters Agreement and the Ancillary Agreements. LMC hereby expressly acknowledges and agrees that it is not relying on, is not entitled to rely on and, except in the case of fraud or willful breach, neither Parent nor any Person will have or be subject to any liability to LMC or any other Person resulting from, any statements or communications by Parent, any Transferred Subsidiary, DTV or any of their respective Affiliates or Representatives with respect to any matter in connection with its investigation or evaluation of the Transferred Business, the Transferred Subsidiaries, Splitco or DTV (including any of the assets or liabilities of the Transferred Business, the Transferred Subsidiaries, Splitco or DTV), including any information, document or material made available in any offering memorandum, in any "data room," in any management presentations or in any other form, except for the representations and warranties expressly set forth in this Agreement, the Parent Tax Opinion Representations, the Tax Matters Agreement and the Ancillary Agreements

Section 5.11. Brokers and Finders. Except as set forth in Section 5.11 of the LMC Disclosure Letter, no Broker is or will be entitled to any Broker Fees based upon arrangements made by or on behalf of LMC or any of its Affiliates.

ARTICLE VI.

COVENANTS AND AGREEMENTS

Section 6.1. Access and Information. During the period from the date of this Agreement to the Closing, except to the extent prohibited by applicable Law or the terms of any Contract entered into prior to the date hereof for which Parent has been unable, despite use of its reasonable best efforts, to obtain a consent or waiver from the other parties thereto (other than any Affiliate of Parent) to enable disclosure to LMC, or as would reasonably be expected to violate or result in a loss or impairment of any attorney-client or work product privilege (it being understood that the parties shall use reasonable best efforts to cause such information to be provided in a manner that does not result in such violation, loss or impairment), and subject to the obligations of LMC under the Confidentiality Agreement with respect thereto, Parent will permit (and will cause the Transferred Subsidiaries to permit) Representatives of LMC to have reasonable access during normal business hours and upon reasonable notice to all premises, properties, personnel, books, records, Contracts, commitments, reports of examination, and documents of or pertaining to the Transferred Business, and reasonable opportunity upon prior notice and consultation with Parent to communicate with employees of the Transferred Business (*provided* that Parent and the Transferred Subsidiaries shall have the right to be present by representative for all such contacts between LMC and any employee of the Transferred Business, whether in person, telephonic or otherwise), except with respect to DTV, as may be necessary to permit LMC to, at its sole expense, make, or cause to be made, such investigations thereof as are reasonably necessary in connection with the consummation of the Transactions, and Parent shall (and shall cause the Transferred Subsidiaries to) reasonably cooperate with any such investigations; *provided* that Parent's designees on the Board of Directors of DTV, subject to their fiduciary duties to DTV and its stockholders, shall take no action to interfere with the investigation of DTV by LMC. No information or knowledge obtained in any investigation pursuant to this Section 6.1 or otherwise shall affect or be deemed to modify any representation or warranty contained herein or delivered pursuant hereto or to modify the conditions to the obligations of the parties hereto to consummate the Transactions.

Section 6.2. Conduct of Business by Parent. Except (i) as contemplated or permitted by this Agreement and the Ancillary Agreements, (ii) as required by applicable Law, (iii) as described in Section 6.2 of the Parent Disclosure Letter or (iv) with the prior written consent of LMC (not to be unreasonably withheld or delayed), during the period from the date hereof to the Closing Date, Parent shall, and shall cause each of the Transferred Subsidiaries to, conduct the Transferred Business only in the ordinary course of business consistent with past practice and use reasonable best efforts to preserve intact current business organizations of the Transferred Business and relationships with third parties and keep available the service of the current officers and employees of the Transferred Business. From the date hereof until the earlier of the Closing or the termination of this Agreement, Parent will vote or cause its Affiliates to vote all shares of DTV over which it has the power to vote or cause to be voted against any action by DTV or any of its Subsidiaries, which is outside its ordinary course of business (including amendments to DTV's Charter) that is presented or proposed for consideration by DTV stockholders at any time after the date of this Agreement and prior to the Closing or termination of this Agreement, subject to Parent's obligations under Section 6.13.3 of this Agreement. Without limiting the generality of the foregoing, except (i) as contemplated or permitted by this Agreement and the

Ancillary Agreements, (ii) as required by applicable Law, (iii) as described in Section 6.2 of the Parent Disclosure Letter or (iv) with the prior written consent of LMC, prior to the Closing Date, Parent shall not take any action that would violate the terms of the RSN Non-Competition Agreement (assuming that the period referred to therein is effective beginning as of the date hereof) and Parent shall cause each of the Transferred Subsidiaries not to:

- 6.2.1 make any change in or amendments to the charter, bylaws, partnership agreement, membership agreement or other organizational documents applicable to any Transferred Subsidiary;
- 6.2.2 issue, grant, sell or deliver any shares of capital stock or other equity interests or securities of any Transferred Subsidiary, or any securities convertible into, or options, warrants or rights of any kind to subscribe for or acquire, any shares of capital stock or other equity interests or securities of any Transferred Subsidiary, or any phantom shares, phantom equity interests or stock or equity appreciation rights of any Transferred Subsidiary, or enter into any Contract, commitment or arrangement with respect to any of the foregoing;
- 6.2.3 split, combine or reclassify the outstanding shares of capital stock or other equity interests or securities of any Transferred Subsidiary or issue any capital stock or other equity interests or securities of any Transferred Subsidiary in exchange for any such shares or interests;
- 6.2.4 redeem, purchase or otherwise acquire, directly or indirectly, any shares of capital stock or any other equity interests or securities of any Transferred Subsidiary;
- 6.2.5 adopt or authorize any stock or equity appreciation rights, restricted stock or equity, stock or equity purchase, stock or equity bonus or similar plan, arrangement or agreement applicable to any Transferred Subsidiary;
- 6.2.6 make any other changes in the capital structure or the partnership or membership structure of any Transferred Subsidiary;
- 6.2.7 make any change in any method of financial accounting or financial accounting principles, practice or policy employed by or applicable to a Transferred Subsidiary, except for any such change required by reason of a concurrent change in GAAP;
- 6.2.8 except to the extent sold or otherwise disposed of in the ordinary course of business consistent with past practices, sell, lease (as lessor), mortgage, pledge or otherwise dispose of any material asset of a Transferred Subsidiary to any Person;
- 6.2.9 except (A) in accordance with Parent's cash management system or (B) for dividends and distributions permitted under clause (6.2.10) below, make any loans or advances to, investments in, or guarantees for the benefit of, any Person, except for travel and similar advances made to employees, officers or directors, in the ordinary course of business, or engage in or amend, or modify, or extend any

Contract, arrangement, commitment or transaction with any Affiliate of Parent which will continue in full force and effect following the Closing;

- 6.2.10 declare or pay any dividend or make any other distribution to its stockholders whether or not upon or in respect of any shares of its capital stock or equity interest; *provided, however*, that LMC acknowledges and agrees that (A) the Transferred Subsidiaries do not maintain cash balances and, at the time of the Closing, Parent will withdraw any cash balances of the Transferred Subsidiaries (other than the material proceeds from an insurance claim) and (B) from the date hereof until the Closing, dividends and distributions of cash may continue to be made by the Transferred Subsidiaries to wholly owned Subsidiaries of Parent in the ordinary course of business consistent with past practices;
- 6.2.11 except to the extent required pursuant to the terms of any Employee Benefit Plan or in effect on the date hereof, (i) increase salary, wages or other compensation (including any bonuses, commissions and any other payments) of any Transferred Employee whose annual salary, wages and such other compensation is, or after giving effect to such change would be, in the aggregate, \$150,000 or more per annum; (ii) hire any new employee who would be a Transferred Employee or enter into a contract with any consultant to perform services relating to the Transferred Business, in each case on terms providing for annual salary, wages and other compensation, in the aggregate, of \$150,000 or more per annum; (iii) adopt, enter into or amend any Employee Benefit Plan other than a Subsidiary Employee Benefit Plan, except as required by applicable Law or applicable to all participants of such plan; *provided* that such plan does not disproportionately affect Transferred Employees; or (iv) adopt, enter into or amend any Collective Bargaining Agreement or other labor union contract, Subsidiary Employee Benefit Plan or Employment Agreement applicable to Transferred Employees, or enter into any Contract, commitment or arrangement with respect to any of the foregoing; *provided* that it is the understanding of the parties that Parent shall have the right, prior to or at the Closing, to transfer the employment of each Transferred Employee not already employed by one of the Transferred Subsidiaries to the applicable Transferred Subsidiary;
- 6.2.12 pay, discharge or satisfy Liabilities, other than (i) the payment, discharge or satisfaction of Liabilities reflected or reserved against in the Interim Balance Sheet or incurred since the Interim Balance Sheet Date in the ordinary course of business consistent with past practices and (ii) scheduled repayments of indebtedness reflected on any Interim Balance Sheet;
- 6.2.13 cancel any Indebtedness or waive or assign any claims or rights (tangible and intangible), except in the ordinary course of business and consistent with past practices;
- 6.2.14 (i) incur or assume or become obligated with respect to any Indebtedness or guarantee any such Indebtedness of another Person, issue or sell any debt securities or warrants or other rights to acquire any debt securities, or guarantee

any debt securities of another Person, except, in each case, in the ordinary course of business consistent with past practices, (ii) secure any of its outstanding unsecured Indebtedness or provide additional security for any of its outstanding secured Indebtedness or (iii) except in the ordinary course of business consistent with past practices, incur, impose or permit to exist any Encumbrance on any asset;

6.2.15 (i) other than in the ordinary course of business, enter into any Contract of a character required to be disclosed in Section 4.13 of the Parent Disclosure Letter or terminate, renew, modify or amend any of the Material Contracts; *provided* that, for the avoidance of doubt, the expiration in accordance with its terms of any Material Contract shall not constitute termination, renewal or amendment of such Material Contracts; or (ii) cancel or terminate, or permit to be cancelled or terminated, any material insurance relating to the Transferred Business or any related assets;

6.2.16 (i) acquire any business or significant assets and properties of any Person (whether by merger, consolidation or otherwise); (ii) make any capital contribution or investment (or agree to make any capital contribution or investment) in or acquire any securities or debt or equity interests in any other Person; or (iii) except as necessary in the ordinary course of business consistent with past practices, dispose of, grant, or obtain, or permit to lapse any rights to, any material Owned or Licensed Intellectual Property;

6.2.17 settle any Actions in a manner in which the settlement of such Action would materially adversely affect the conduct of the Transferred Business following the Closing Date, except where any such material adverse effect on the conduct of the Transferred Business resulting from the settlement of any such Action is not disproportionate to the adverse effect of such settlement on the conduct of the business of the regional sports programming cable networks operated by Parent and its Subsidiaries (other than the RSN Subsidiaries); or

6.2.18 enter into an agreement to do any of the foregoing.

Section 6.3. Conduct of Business by LMC. Except as described in Schedule 6.3, during the period from the date hereof to the Closing Date, or the date, if any, on which this Agreement is earlier terminated in accordance with Article IX, neither LMC nor any of its Subsidiaries shall acquire or make any investment in any corporation, partnership, limited liability company, other business organization or any division thereof that holds, or has an attributable interest in, any license, authorization, permit or approval issued by the FCC if such acquisition or investment would reasonably be expected to prevent or materially delay or impede receipt of the FCC Consent.

Section 6.4. Proxy Statement.

6.4.1 Within forty-five (45) days of the signing of this Agreement, Parent shall prepare and shall cause to be filed with each of the SEC and the ASX a proxy statement in

preliminary form (together with any amendments thereof or supplements thereto, the "Proxy Statement") relating to the Parent Stockholders' Meeting. Parent shall include in the Proxy Statement the recommendation of the Board of Directors of Parent that the Parent stockholders approve the Exchange (the "Parent Recommendation"); *provided* that prior to the approval of the Exchange by Parent's stockholders in accordance with this Agreement the Board of Directors of Parent may fail to make or withdraw, modify or change in a manner adverse to LMC its recommendation that the stockholders vote in favor of this Agreement (a "Parent Change in Recommendation"), if, and only if, the Board of Directors of Parent has determined, in its good faith judgment and after consultation with outside legal counsel, that the failure to effect such action could reasonably be expected to be inconsistent with the fulfillment of its fiduciary duties to Parent's stockholders under applicable Law; *provided* that a Parent Change in Recommendation shall not relieve Parent of its obligations pursuant to Section 6.5 hereof. Parent shall use its reasonable best efforts to respond as promptly as practicable to any comments of the SEC and the ASX with respect to the Proxy Statement. Parent shall promptly notify LMC upon the receipt of any comments (written or oral) from the SEC or the ASX or their respective staff or any request from the SEC or the ASX or their respective staff for amendments or supplements to the Proxy Statement, shall consult with LMC prior to responding to any such comments or request or filing any amendment or supplement to the Proxy Statement, and shall provide LMC with copies of all correspondence between Parent and its Representatives, on the one hand, and the SEC and the ASX and their respective staff, on the other hand. In addition to the Parent Stockholder Approval required by Law, the parties have agreed as a matter of contract that the affirmative vote of a majority of the votes cast in person or by proxy by holders of Parent Class B Shares other than LMC, the Stockholders and any of their respective Associates, and the Murdoch Interests (the "Disinterested Stockholder Approval" and, together with the Parent Stockholder Approval, the "Requisite Parent Stockholder Approval") is required to approve the Exchange. Parent represents and warrants that (i) none of the information with respect to Parent or its Subsidiaries to be included in the Proxy Statement or incorporated by reference therein will, at the time of the mailing of the Proxy Statement or any amendments or supplements thereto, and at the time of the Parent Stockholders' Meeting, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading; and (ii) the Proxy Statement will comply as to form in all material respects with the provisions of the Exchange Act and the rules and regulations promulgated thereunder and any applicable rules and regulations promulgated by the ASX, except for any such failures to comply as to form which result from any actions or omissions of LMC or any person authorized to act on its behalf, and will include, or be accompanied by, a report from Grant Samuel & Associates as to the fairness and reasonableness of the Exchange, which is qualified as an independent expert for these purposes under the ASX Listing Rules and applicable Law (the "Independent Expert Report"). Parent will provide LMC with drafts of the

Independent Expert Report received by Parent to the extent permitted by applicable Law and to the extent that Australian counsel to Parent has advised Parent that such action will not compromise the independence of such expert. LMC represents and warrants that none of the information with respect to LMC or its Subsidiaries supplied by LMC or any person authorized to act on its behalf for inclusion in the Proxy Statement or incorporated by reference therein will, at the time of the mailing of the Proxy Statement or any amendments or supplements thereto, and at the time of the Parent Stockholders' Meeting, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

6.4.2 Parent and LMC shall cooperate and consult with each other in preparation of the Proxy Statement and any other documents or reports to be disseminated to holders of Parent Class B Common Stock primarily in connection with such holders' consideration of the Exchange (other than, except, to the extent permitted by applicable Law, any factual matters contained in such report, the Independent Expert Report). Without limiting the generality of the foregoing, LMC will use reasonable best efforts to furnish to Parent the information relating to it required by the Exchange Act and the rules and regulations promulgated thereunder or any applicable rules and regulations promulgated by the ASX to be set forth or incorporated by reference in the Proxy Statement. Notwithstanding anything to the contrary stated above, prior to filing and mailing the Proxy Statement (or any amendment or supplement thereto) or responding to any comments of the SEC or the ASX with respect thereto, Parent shall provide LMC an opportunity to review and comment on such document or response.

6.4.3 As promptly as reasonably practicable after the Proxy Statement has been cleared by the SEC and the ASX, Parent shall mail the Proxy Statement to the holders of Parent Class B Common Stock as of the record date established for the Parent Stockholders' Meeting. If at any time prior to the Parent Stockholders' Meeting any event, occurrence or circumstance relating to the Parent, LMC or any of their respective Subsidiaries, or their respective officers or directors, should be discovered by Parent or LMC, respectively, which, pursuant to the Securities Act or Exchange Act or any applicable rule or regulation promulgated by the ASX, should be set forth in an amendment or a supplement to the Proxy Statement, such party shall promptly inform the other parties hereto. Each of LMC and Parent agrees to correct any information provided by it for use or incorporated by reference in the Proxy Statement which shall have become false or misleading. Parent will be solely responsible for all filing fees, costs and expenses relating to the preparation of the Proxy Statement and matters related to the Parent Stockholder Meeting.

Section 6.5. Parent Stockholders' Meeting. Unless this Agreement has been earlier terminated in accordance with Article VIII, Parent shall, acting through its Board of Directors, as promptly as reasonably practicable following the date of this Agreement, establish a record date for, duly call, give notice of, convene and hold a meeting of the holders of Parent Class B

Common Stock in accordance with the Listing Rules of the ASX and any other applicable Laws, for the purpose of voting upon the approval of the Exchange (the "Parent Stockholders' Meeting"). Except as required by any Governmental Authority, and for matters to which LMC shall have provided its prior written consent (which consent shall not be unreasonably withheld or delayed), the only matters Parent shall propose to be acted on by the holders of Parent Class B Common Stock at the Parent Stockholders' Meeting shall be the approval of the Exchange. In connection with the Parent Stockholders' Meeting, Parent will use reasonable best efforts to obtain the requisite quorum at the Parent Stockholders' Meeting and to obtain the Requisite Parent Stockholder Approval, including by soliciting from its stockholders proxies in favor of the approval of the Exchange, *provided* that Parent shall have no obligation to solicit from its stockholders proxies in favor of the approval of the Exchange from and after the date upon which there shall have been a Parent Change in Recommendation in accordance with Section 6.4.1; provided, however, Parent shall continue to be obligated to convene and hold the Parent Stockholders' Meeting in accordance with the terms of this Agreement.

Section 6.6. Appropriate Action; Consents; Filings.

- 6.6.1 The parties hereto will use their respective reasonable best efforts to consummate and make effective the Transactions and to cause the conditions to the Closing set forth in Article VII to be satisfied, including (i) the obtaining of all necessary actions or nonactions, consents and approvals from Governmental Authorities or other Persons necessary in connection with the consummation of the Transactions, and the making of all necessary registrations and filings (including filings with Governmental Authorities if any) and the taking of all reasonable steps as may be necessary to obtain an approval from, or to avoid an Action by, any Governmental Authority or other Persons necessary in connection with the consummation of the Transactions; and (ii) the defending of any lawsuits or other Actions, whether judicial or administrative, challenging this Agreement or the consummation of the transactions performed or consummated by such party in accordance with the terms of this Agreement, including the Exchange, including seeking to have any stay or temporary restraining order entered by any court or other Governmental Authority vacated or reversed.
- 6.6.2 Each of the parties hereto shall promptly (in no event later than twenty (20) Business Days following the date that this Agreement is executed) make its respective filings, and thereafter make any other required submissions under the HSR Act with respect to the Transactions.
- 6.6.3 LMC and Parent shall cooperate to prepare such applications as may be necessary for submission to the FCC in order to obtain the FCC Consent (the "FCC Applications"). LMC and Parent shall promptly (in no event later than twenty (20) Business Days following the date that this Agreement is executed) file the FCC Applications with the FCC, and the parties shall diligently take, or cooperate in the taking of, all necessary, desirable and proper actions, and provide any additional information, reasonably required or requested by the FCC. Each of LMC and Parent agrees not to, and shall not permit any of its respective

Subsidiaries to, take any action that would reasonably be expected to prevent or materially delay or impede receipt of the FCC Consent.

- 6.6.4 Each of LMC and Parent shall give (or shall cause its respective Subsidiaries to give) any notices to third parties, and each of LMC and Parent shall use, and cause each of its Subsidiaries to use, its reasonable best efforts to obtain any third party consents not covered by Sections 6.6.1, 6.6.2 and 6.6.3 above, necessary, proper or advisable to consummate Transactions. Each of the parties hereto will furnish to the other such necessary information and reasonable assistance as the other may request in connection with the preparation of any required governmental filings or submissions and will cooperate in responding to any inquiry from a Governmental Authority, including promptly informing the other party of such inquiry, consulting in advance before making any presentations or submissions to a Governmental Authority, and supplying each other with copies of all correspondence, filings or communications between either party and any Governmental Authority with respect to this Agreement. No party hereto shall independently participate in any formal meeting with any Governmental Authority in respect of any such filings, submissions, investigation, or other inquiry without giving the other parties hereto prior notice of the meeting and, to the extent permitted by such Governmental Authority, the opportunity to attend and/or participate.
- 6.6.5 If any objections are asserted with respect to the Transactions under any Antitrust Law or any Communications Regulation or if any suit is instituted by any Governmental Authority or any private party challenging any of the Transactions as violative of any Antitrust Law or Communications Regulation, the parties shall use their reasonable best efforts to resolve any such objections or challenge as such Governmental Authority or private party may have to such transactions under such law so as to permit consummation of the Transactions. In furtherance of the parties' obligations under this Section 6.6, LMC and Parent shall be required to (and, to the extent required by any Governmental Authority, shall cause their respective current and future Subsidiaries to), propose, negotiate, commit to and enter into one or more settlements, undertakings, conditions, consent decrees, stipulations and other agreements with or to one or more Governmental Authorities (each, a "Settlement") in connection with the Transactions (including obtaining the requisite consent of such Governmental Authorities), including one or more Settlements that require LMC or Parent to restructure the operations of, or sell or otherwise divest or dispose of, its assets and/or the assets of its current and future Subsidiaries; provided, however, that (i) neither LMC nor any of its Subsidiaries shall be required to take (or commit to take) any of the foregoing actions, or any other action contemplated by this Section 6.6, (A) if any such actions would reasonably be expected to have a material adverse effect on the business or operations of LMC and its Subsidiaries or any of their cable, television (including video or electronic home shopping) or satellite businesses, or (B) if the Board of Directors of LMC determines, in good faith, that the taking of such actions would be reasonably likely to have a Material Adverse Effect on Splitco (without giving effect, for purposes of this Section